

1 JAMES L. LOPES (No. 63678)
JANET A. NEXON (No. 104747)
2 GARY M. KAPLAN (No. 155530)
HOWARD, RICE, NEMEROVSKI, CANADY,
3 FALK & RABKIN
A Professional Corporation
4 Three Embarcadero Center, 7th Floor
San Francisco, California 94111-4065
5 Telephone: 415/434-1600
Facsimile: 415/217-5910
6

7 Attorneys for Debtor and Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

8 ALAN W. KORNBERG
PAUL, WEISS, RIFKIND, WHARTON &
9 GARRISON
1285 Avenue of the Americas
10 New York, New York 10019
Telephone: 212/373-3000
11

12 Attorneys for CALIFORNIA PUBLIC UTILITIES
COMMISSION

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION
16

17 In re
18 PACIFIC GAS AND ELECTRIC
19 COMPANY, a California corporation,
20 Debtor.
21

22 Federal I.D. No. 94-0742640
23

Case No. 01-30923 DM

Chapter 11 Case

Date: May 15, 2002

Time: 9:30 a.m.

Place: 235 Pine Street, 22nd Floor
San Francisco, California

24 ORDER GRANTING MOTION BY PG&E AND THE CPUC FOR ORDER
25 (i) APPROVING NOTICES OF NON-VOTING STATUS, NOTICES TO PARTIES TO
EXECUTORY CONTRACTS AND NOTICE TO STATE AGENCIES; AND
26 (ii) APPROVING VOTING SOLICITATION PROCEDURES, FORMS OF VOTING
BALLOTS, VOTING TIMETABLE, AND TABULATION PROCEDURES
27
28

FILED

MAY 20 2002

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN

A Professional Corporation

At the date and time set forth above, the Court held a continued hearing to consider the Motion of Pacific Gas and Electric Company, the debtor and debtor in possession in the above-captioned chapter 11 case ("PG&E" or "Debtor"), and the California Public Utilities Commission (the "CPUC"), for Order (i) Approving Notices of Non-Voting Status, Notices to Parties to Executory Contracts and Notice to State Agencies; and (ii) Approving Voting Solicitation Procedures, Forms of Voting Ballots, Voting Timetable, and Tabulation Procedures (the "Motion"). (Capitalized terms used but not defined herein have the meanings set forth in the Motion.) Appearances were as noted on the record.

The Court having considered the Motion and the exhibits thereto, including the forms of ballots, notices and other materials with regard to the solicitation of votes to accept or reject the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code For Pacific Gas and Electric Company [Dated April 19, 2002] (the "PG&E Plan"), and the CPUC's Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [dated May 17, 2002] (the "CPUC Plan," and together with the PG&E Plan, the "Plans"), the arguments presented at the hearing, and any objections filed with respect to the Motion; and having found that proper notice of the hearing on the Motion was provided by PG&E and the CPUC, and good and sufficient cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is approved;
2. The proposed Notices, in substantially the form attached hereto as Exhibits A-C, to be sent to (i) holders of claims or interests ineligible to vote to accept or reject the Plans (including holders of Disputed Claims whose claims have not been allowed for voting pursuant to Bankruptcy Rule 3018(a)), and (ii) parties to executory contracts and unexpired leases that are being assumed or assumed and assigned pursuant to the PG&E Plan and/or the CPUC Plan who do not hold filed or scheduled claims, are approved;
3. Copies of the PG&E Plan and PG&E Disclosure Statement and the CPUC

1 Plan and CPUC Disclosure Statement will not be required to be sent to the Non-Voting
2 Parties, except that such documents will be sent to claimants in Classes 3 and 4a under the
3 CPUC Plan;

4 4. The procedures set forth in the Motion for soliciting the votes of impaired
5 classes of creditors and interest holders on the PG&E Plan and the CPUC Plan (as defined in
6 each such Plan) are approved, as follows:

7 a. The following holders of impaired claims and interests shall be entitled
8 to vote to accept or reject each of the Plans:

9 (i) holders of claims, as of the Voting Record Date, that are listed in
10 PG&E's Amended and Restated Schedules filed with the Bankruptcy Court on July 2, 2001,
11 as the same may be amended from time to time (the "Schedules"), excluding claims listed as
12 contingent, unliquidated, or disputed and excluding scheduled claims that have been
13 superseded by filed proofs of claims: (a) as to which no objection has been filed as of the
14 Solicitation Commencement Date (as defined in Paragraph 5, below); or (b) to the extent an
15 objection has been filed, (x) that have been temporarily allowed prior to the Voting Deadline
16 (as defined in Paragraph 9.d., below) for the purpose of accepting or rejecting such Plan
17 pursuant to Bankruptcy Rule 3018(a), in the amount which the Bankruptcy Court deems
18 proper for such purposes, (y) that have been allowed by the Bankruptcy Court for any
19 purpose pursuant to the Bankruptcy Court's ruling on such objection prior to the Voting
20 Deadline, or (z) that are otherwise entitled to vote on account of meeting the criteria in
21 subsection (iii) below;

22 (ii) holders of filed proofs of claim or interest listed, as of the Voting
23 Record Date, on the official claims register maintained by Robert L. Berger & Associates,
24 LLC, the Claims Agent appointed by the Bankruptcy Court, (a) as to which no objection has
25 been filed as of the Solicitation Commencement Date; or (b) to the extent an objection has
26 been filed, (x) that have been temporarily allowed prior to the Voting Deadline for the
27 purpose of accepting or rejecting such Plan pursuant to Bankruptcy Rule 3018(a), in the
28 amount which the Bankruptcy Court deems proper for such purposes, (y) that have been

1 allowed by the Bankruptcy Court for any purpose pursuant to the Bankruptcy Court's ruling
2 on such objection prior to the Voting Deadline, or (z) that are otherwise entitled to vote on
3 account of meeting the criteria in subsection (iii) that immediately follows; and

4 (iii) registered record holders of PG&E bonds, notes, debentures, or
5 shares of stock, and beneficial owners holding such securities through nominee holders, in
6 each case as of the Voting Record Date, as evidenced by the records of the applicable trustee
7 or transfer agent, as well as the records of The Depository Trust Company, Euroclear, and
8 Clearstream.

9 b. Neither PG&E nor the CPUC will be required to mail copies of the
10 PG&E Plan and the PG&E Disclosure Statement and/or the CPUC Plan and CPUC
11 Disclosure Statement to any holders of claims or interests in a PG&E Unimpaired Class or
12 CPUC Unimpaired Class, to parties to executory contracts and unexpired leases who do not
13 hold filed or scheduled claims, or to holders of Disputed Claims under either of the Plans,
14 unless otherwise requested of the Voting Agent in writing by facsimile (212-446-3605) or e-
15 mail (pge@innisfreema.com). The PG&E Plan and the PG&E Disclosure Statement and the
16 CPUC Plan and the CPUC Disclosure Statement also will be available to download through
17 the "Pacific Gas & Electric Company Chapter 11 Case" link accessible through the
18 Bankruptcy Court's website (www.canb.uscourts.gov).

19 c. With respect to "beneficial owners" of securities issued by PG&E who
20 hold their interests through a "nominee holder," such as bondholders and stockholders who
21 hold their securities through a bank or brokerage firm, all nominee holders will forward
22 PG&E's and the CPUC's Notice of Non-Voting Status to Holders of Claims or Equity
23 Interests in Unimpaired Classes, to the beneficial owners within five (5) business days of
24 receipt by such nominee holders of the Notice and other documents included therewith;

25 5. On June 17, 2002 (the "Solicitation Commencement Date"), or as soon
26 thereafter as practicable, the Voting Agent and nominee holders are authorized and directed
27 to send the following materials (collectively, the "Solicitation Package") to all persons
28 entitled to vote on the PG&E Plan and/or the CPUC Plan:

- a. An appropriate Voting Ballot, in substantially the form of one of the proposed Ballots attached hereto as Exhibits D through G, and accompanying postage-prepaid return envelope;
 - b. Copies of the PG&E Plan and the PG&E Disclosure Statement;
 - c. Copies of the CPUC Plan and the CPUC Disclosure Statement;
 - d. The "Notice of (A) Voting Record Date and Voting Deadline With Respect to, and (B) Hearing to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation," substantially in the form attached hereto as Exhibit N (the "Notice of Confirmation Hearing"); and
 - e. Any other documents as this Court may authorize or direct;
6. The Solicitation Package will be mailed to the following persons entitled to vote on the PG&E Plan and/or the CPUC Plan:
- a. Holders of allowed claims, as of May 21, 2002 ("the Voting Record Date"), that are listed in PG&E's Schedules as not contingent, unliquidated or disputed (excluding scheduled claims that have been superseded by filed claims), that have not been disallowed or disqualified prior to the Voting Record Date and that are not the subject of pending objections on the Solicitation Commencement Date; provided, however, that the assignee of an assigned scheduled claim may vote such claim only if the transfer has met the requirements of Bankruptcy Rule 3001(e) as of the Voting Record Date;
 - b. Subject to subsection c. below, holders of filed proofs of claim, as of the Voting Record Date, that have not been disallowed or disqualified prior to the Voting Record Date and that are not the subject of pending objections on the Solicitation Commencement Date; provided, however, that the assignee of an assigned filed claim may vote such claim only if the transfer has met the requirements of Bankruptcy Rule 3001(e) as of the Voting Record Date; and
 - c. Registered holders, as of the Voting Record Date, of PG&E bonds, notes, debentures, or shares of stock (i.e., such holders whose bonds, notes, debentures, or

1 shares of stock are registered in their names), or nominee holders for beneficial owners of
2 PG&E bonds, notes, debentures, or shares of stock as of the Voting Record Date; provided,
3 however, that the Voting Agent will provide such nominee holders with sufficient copies of
4 the Solicitation Package to distribute to their respective beneficial owners (and such
5 beneficial owners may vote on the ballots supplied to them by the nominee holder);

6 7. The Voting Ballots, in substantially the forms of the Ballots attached hereto
7 as Exhibits D-G (as such Ballots may be modified with respect to each Voting Class), and
8 the balloting procedures as set forth in the Motion are approved, as follows:

9 a. Registered holders of allowed claims or interests, including holders of
10 record of PG&E bonds, notes, debentures, or shares of stock as of the Voting Record Date
11 (i.e., such holders whose bonds, notes, debentures, or shares of stock are registered in their
12 names) will: (i) indicate their vote (and preference, where applicable) and complete all other
13 information requested on the Voting Ballot; and (ii) return the Voting Ballot to the Voting
14 Agent on or prior to the Voting Deadline (as defined below).

15 b. Beneficial owners of PG&E bonds, notes, debentures, or shares of stock
16 as of the Voting Record Date, if such bonds, notes, debentures, or shares of stock are
17 registered in "street name," and the beneficial owner's nominee holder has prevalidated the
18 Voting Ballot prior to forwarding the Solicitation Package to the beneficial owner, will:
19 (i) indicate their vote (and preference, where applicable) and complete all other information
20 requested on the Voting Ballot; and (ii) return the Voting Ballot to the Voting Agent on or
21 prior to the Voting Deadline.

22 c. Beneficial owners of PG&E's bonds, notes, debentures, or shares of
23 stock as of the Voting Record Date, if such bonds, notes, debentures or shares of stock are
24 registered in "street name," and the beneficial owner's nominee holder has not prevalidated
25 the Voting Ballot prior to forwarding the Solicitation Package to the beneficial owner, will:
26 (i) indicate their vote (and preference, where applicable) and complete all other information
27 requested on the Voting Ballot; and (ii) return the Ballot to the nominee holder on or prior to
28 the Voting Deadline as arranged by the nominee holder. The nominee holder will then

1 summarize the votes (and preferences) of each beneficial owner on the Master Ballot, and
2 return the Master Ballot to the Voting Agent in accordance with the voting schedule outlined
3 below;

4 8. The Notices, in substantially the forms attached hereto as Exhibits H-L, to
5 be sent to parties to executory contracts and unexpired leases to be (i) assumed, (ii) assumed
6 and assigned, or (iii) rejected, in each case pursuant to the PG&E Plan or CPUC Plan, are
7 approved;

8 9. The proposed voting schedule for the Plans as set forth in the Motion is
9 approved, as set forth below:

10 a. Submission of Documents to the Voting Agent. Each of PG&E and the
11 CPUC will cause to be delivered to the Voting Agent any and all documents to be included
12 in the Solicitation Package no later than May 31, 2002.

13 b. Preliminary Mailing to Nominee Holders. The Voting Agent may begin
14 distributing elements of the Solicitation Packages to nominee holders of PG&E bonds, notes,
15 debentures, notes, shares of stock, or other securities in the Voting Classes, as well as Class
16 13, on June 3, 2002. During this preliminary mailing period, nominee holders may prepare
17 their mailings to their respective beneficial owners but may not mail them. During this
18 period, the Voting Agent will also prepare the Solicitation Packages to be sent to registered
19 holders of claims and equity security interests.

20 c. Mailing to Registered Holders of Claims and Interests and to Beneficial
21 Owners. On the Solicitation Commencement Date, the Voting Agent and nominee holders
22 of PG&E bonds, notes, debentures, shares of stock, or other securities will mail the
23 Solicitation Packages to the registered holders of claims or interests and beneficial owners of
24 PG&E bonds, notes, debentures, shares of stock, or other securities in the PG&E Voting
25 Classes and the CPUC Voting Classes, as well as Class 13 (with respect to the PG&E Plan
26 and the CPUC Plan).

27 d. Voting Deadline. Pursuant to Bankruptcy Rule 3017(c), persons entitled
28 to vote, in order for the Voting Agent to count their votes, must properly complete, execute,

1 and deliver their Voting Ballots to the Voting Agent or, in certain cases, to their nominee
2 holder by mail, overnight mail, or personal delivery so that the Voting Agent or nominee
3 holder, if applicable, receives such Ballots no later than 5:00 p.m. Eastern Time on August
4 12, 2002 (the "Voting Deadline"), unless the Bankruptcy Court extends the Voting Deadline.
5 Nominee holders will have up to three additional business days to transmit Master Ballots to
6 the Voting Agent. The Voting Agent must, however, receive all Master Ballots no later than
7 5:00 p.m. Eastern Time on the third business day after the Voting Deadline;

8 10. The proposed procedures for tabulating votes (and preferences) of impaired
9 creditors and/or interest holders with respect to acceptance or rejection of each of the Plans
10 are approved, as set forth below:

11 a. The Voting Agent will not count any Voting Ballot that does not
12 indicate an acceptance or rejection of one or both Plans;

13 b. The Voting Agent will not count any Voting Ballot that is returned to
14 the Voting Agent unsigned;

15 c. Pursuant to Federal Rule of Bankruptcy Procedure 3018(a), the Voting
16 Agent will count only the first timely Voting Ballot it receives from a creditor or interest
17 holder, unless, "for cause shown," the Court "after notice and a hearing" permits such
18 creditor or interest holder to "change or withdraw an acceptance or rejection;"

19 d. The Voting Agent will not count any Voting Ballot that is received after
20 the pertinent voting deadline even if postmarked or otherwise sent prior to such deadline,
21 unless the Court extends such deadline;

22 e. The Voting Agent will not count any Voting Ballot that the Voting
23 Agent determines is not legible;

24 f. The Voting Agent will not count any Voting Ballot transmitted via
25 facsimile or any other electronic means except voting confirmations received from Euroclear
26 or Clearstream, which may be transmitted electronically as customary;

27 g. The Voting Agent will not count any Voting Ballot of a creditor or
28 interest holder that is duplicative of a Voting Ballot of another creditor or interest holder;

h. Each creditor or interest holder will be deemed to have voted the full amount of its undisputed claim or interest as of the Voting Record Date, within a particular PG&E Voting Class or CPUC Voting Class, as shown on the records provided to the Voting Agent, except that in the event of a conflict, the official records provided to the Voting Agent will prevail. The Voting Agent will not count any Voting Ballot that purports to split a claim in order to partially accept and partially reject one or both Plans;

i. To the extent that there are over-votes submitted by a nominee holder on the Master Ballot or prevalidated ballots (or over-votes on the Master Ballot are not reconcilable prior to the vote certification) with respect to a Plan, votes to accept or reject such Plan will be applied by the Voting Agent in the same proportion as the votes to accept or reject such Plan submitted on the Master Ballot or prevalidated ballots that contain the over-vote, but only to the extent of the position maintained by such nominee holder as of the Voting Record Date; and

j. For the purposes of tabulating the preferences of those PG&E and CPUC Classes entitled to express a preference, a preference will only be counted if the creditor or equity security holder votes to accept both Plans (or, in the case of a holder of a Claim in Class 3 or 4a under the CPUC Plan, such creditor is deemed to have voted to accept the CPUC Plan and votes to accept the PG&E Plan), and expresses a preference for only one of the Plans;

11. The proposed Notice, in substantially the form attached hereto as Exhibit M, to be sent to certain agencies and subdivisions of the State of California and certain counties and municipalities located within the State of California ("State Agencies"), is approved;

12. The Debtor is directed to cause the Notice of Confirmation Hearing substantially in the form attached hereto as Exhibit N to be published one time in each of publications set forth in the Motion, which publication is hereby approved in all respects and which will be deemed good, adequate and sufficient publication; and

1 13. The Debtor and the CPUC are authorized and empowered to take such steps
2 and perform such acts as may be necessary to implement and effectuate this Order.

3 Dated: **MAY 20 2002**

DENNIS MONTALI

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5 HONORABLE DENNIS MONTALI
6 UNITED STATES BANKRUPTCY JUDGE
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14 HOWARD
RICE
NEMEROVSKI
CANADY
RAIK
& RAEBIN
15 A Professional Corporation

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

**NOTICE OF NON-VOTING STATUS FOR
(A) PACIFIC GAS AND ELECTRIC COMPANY'S PLAN OF
REORGANIZATION AND (B) THE CALIFORNIA PUBLIC UTILITIES
COMMISSION'S PLAN OF REORGANIZATION**

**TO: HOLDERS OF CLAIMS OR EQUITY INTERESTS IN UNIMPAIRED
CLASSES: (A) CLASSES 1, 2, 4b, 4d, 4f, 4g, 8, 10, 12 AND 13 IN PLAN OF
REORGANIZATION PROPOSED BY PACIFIC GAS AND ELECTRIC
COMPANY AND PG&E CORPORATION AND (B) CLASSES 1, 2, 3, 4a, 4b, 4d,
4f, 4g, 10, 12 AND 13 IN PLAN OF REORGANIZATION FOR PACIFIC GAS
AND ELECTRIC COMPANY PROPOSED BY THE CALIFORNIA PUBLIC
UTILITIES COMMISSION**

PLEASE TAKE NOTICE THAT:

1. On April 19, 2002, Pacific Gas and Electric Company ("PG&E") and PG&E Corporation (collectively, "PG&E Plan Proponents") filed the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan") with the United States Bankruptcy Court for the Northern District of California, San Francisco Division. Along with the PG&E Plan, the PG&E Plan Proponents filed a "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation [Dated April 19, 2002]" (the "PG&E Disclosure Statement"). On April 24, 2002, the Bankruptcy Court approved the PG&E Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.¹

2. On May 17, 2002, the California Public Utilities Commission (the

¹ Unless otherwise expressly stated, all section references in this Notice are to the United States Bankruptcy Code (Title 11 of the United States Code).

"Commission") filed its Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Plan" and, together with the PG&E Plan, the "Plans"). Along with the Commission Plan, the Commission filed its "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization under Chapter 11 for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Disclosure Statement," and, together with the PG&E Disclosure Statement, the "Disclosure Statements"). On [date], the Bankruptcy Court approved the Commission Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code. All capitalized terms used but not defined in this Notice have the meaning given such terms in the Plans.

3. Pursuant to Section 1126(a), only holders of allowed claims or equity security interests in classes of claims or equity security interests that are impaired and are not deemed to have rejected the Plan are entitled to vote to accept or reject the Plan. Pursuant to Section 1126(f), holders of claims or equity security interests that are *not impaired* under the Plan are deemed to have accepted the Plan and are therefore not entitled to vote on the Plan. As defined in Section 1124, a claim or interest is unimpaired if the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest.

4. PG&E's records, with which the Commission agrees, show that you hold a claim in one or more of the following classes or subclasses, each of which is unimpaired under both Plans: 1, 2, 4b, 4d, 4f, 4g, 8, 10, 12 or 13. **AS A HOLDER OF A CLAIM IN ONE OF THESE UNIMPAIRED CLASSES OR SUBCLASSES, YOU ARE CONCLUSIVELY PRESUMED TO HAVE ACCEPTED THE PLANS PURSUANT TO SECTION 1126(f), AND ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT EITHER OF THE PLANS.**

5. **HOLDERS OF CLAIMS IN CLASSES 3 AND 4a, RESPECTIVELY, WHILE ELIGIBLE TO VOTE TO ACCEPT OR REJECT THE PG&E PLAN, ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE COMMISSION PLAN BECAUSE SUCH HOLDERS' CLAIMS ARE UNIMPAIRED UNDER THE COMMISSION PLAN AND SUCH HOLDERS ARE DEEMED TO HAVE ACCEPTED THE COMMISSION PLAN.** Holders of Claims in Classes 3 and 4a are, however, entitled to indicate a preference as between the PG&E Plan and the Commission Plan if they vote to accept the PG&E Plan. Accordingly, holders of Claims in these classes will receive a Ballot providing precise instructions for recording such a preference.

6. If you hold a Preferred Stock Equity Interest within Class 13, the Plans each provide in relevant part as follows: "Each holder of a Preferred Stock Equity Interest shall retain its Preferred Stock in the Reorganized Debtor and shall be paid in Cash any dividends and sinking fund payments accrued in respect of such Preferred Stock through the last scheduled payment date prior to the Effective Date." **WHILE THE PG&E PLAN PROPONENTS AND THE COMMISSION BELIEVE THAT CLASS 13 IS UNIMPAIRED BY THE PG&E PLAN AND THE COMMISSION PLAN, CERTAIN HOLDERS OF PREFERRED STOCK EQUITY INTERESTS MAY BELIEVE THAT SUCH CLASS IS IMPAIRED BY THE PLANS. TO AVOID DELAYING THE VOTING PROCESS, THE PG&E PLAN PROPONENTS AND THE COMMISSION WILL SOLICIT HOLDERS OF PREFERRED STOCK EQUITY INTERESTS TO VOTE ON THE PLANS AS A PRECAUTIONARY MEASURE SO THAT VOTING RESULTS WILL BE AVAILABLE IF IT IS DETERMINED BY THE BANKRUPTCY**

COURT THAT SUCH CLASS IS IMPAIRED. ALLOWING THE HOLDERS OF PREFERRED STOCK EQUITY INTERESTS TO VOTE SHALL BE WITHOUT PREJUDICE TO THE PG&E PLAN PROPONENTS' AND THE COMMISSION'S CONTENTION THAT THIS CLASS IS UNIMPAIRED AND THE PG&E PLAN PROPONENTS AND THE COMMISSION RESERVE THE RIGHT TO CONTEST ANY OBJECTION TO THE UNIMPAIRED STATUS OF THIS CLASS.

7. "Nominee holders" (such as banks or brokerage firms) who hold non-voting securities for beneficial owners of PG&E bonds, notes, debentures, or shares of stock registered in "street name" shall forward this Notice or copies thereof to the beneficial owners within five business days of receipt of this Notice.

8. Unless otherwise requested, neither the Plan Proponents nor the Commission will provide holders of claims or equity interests whose claims or equity interests are unimpaired under both Plans with copies of the Plans or Disclosure Statements. If you wish to obtain copies of either or both of the Plans or Disclosure Statements, you may do so at no cost to you by: (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "<http://www.canb.uscourts.gov>"; (ii) telephoning the Voting Agent at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

9. The hearing on confirmation of the Plans is scheduled for August 1, 2002, commencing at 9:30 a.m., Pacific time, in the Courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22nd Floor, San Francisco, California 94104. Such hearing may be adjourned from time to time without further notice other than an announcement of the adjourned date(s) at the hearing and at any adjourned hearing(s). Please see the enclosed Notice of (A) Voting Record Date and Voting Deadline with Respect to, and (B) Hearings to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation for additional details regarding this hearing and the procedure and deadline for filing any objection to the Plans.

WD 051702/1-1419915/120/958568/v13

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE OF NON-VOTING STATUS FOR
(A) PACIFIC GAS AND ELECTRIC COMPANY'S PLAN OF
REORGANIZATION AND (B) THE CALIFORNIA PUBLIC UTILITIES
COMMISSION'S PLAN OF REORGANIZATION FOR PG&E**

**TO: PARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES
TO BE ASSUMED OR ASSUMED AND ASSIGNED PURSUANT TO
THE PG&E PLAN AND/OR THE COMMISSION PLAN
WHO DO NOT HOLD A FILED OR SCHEDULED CLAIM**

PLEASE TAKE NOTICE THAT:

1. On April 19, 2002, Pacific Gas and Electric Company ("PG&E") and PG&E Corporation (collectively, "PG&E Plan Proponents") filed the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan") with the United States Bankruptcy Court for the Northern District of California, San Francisco Division. Along with the PG&E Plan, the PG&E Plan Proponents filed the "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation [Dated April 19, 2002]" (the "PG&E Disclosure Statement"). On April 24, 2002, the Bankruptcy Court approved the PG&E Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.

2. On May 17, 2002, the California Public Utilities Commission (the "Commission") filed its "Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Plan" and, together with the PG&E Plan, the "Plans"). Along with the Commission Plan, the Commission filed its "Disclosure Statement for the California Public Utilities

¹ Unless otherwise expressly stated, all section references in this Notice are to the United States Bankruptcy Code (Title 11 of the United States Code).

Commission's Plan of Reorganization under Chapter 11 for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Disclosure Statement," and, together with the PG&E Disclosure Statement, the "Disclosure Statements"). On [date], the Bankruptcy Court approved the Commission Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code. All capitalized terms used but not defined in this Notice have the meaning given such terms in the Plans.

3. The records of PG&E show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the PG&E Plan and/or the Commission Plan, your contract or lease will be assumed, or assumed and assigned, by PG&E. **AS A PARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WHICH IS BEING ASSUMED OR ASSUMED AND ASSIGNED WHO DOES NOT HOLD A FILED OR SCHEDULED CLAIM (EXCLUDING CLAIMS SCHEDULED AS CONTINGENT, UNLIQUIDATED, OR DISPUTED), YOU ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLANS.**

4. Unless otherwise requested, neither the PG&E Plan Proponents nor the Commission will provide non-voting parties to executory contracts and unexpired leases with copies of the Plans or Disclosure Statements. If you wish to obtain copies of either or both of the Plans or Disclosure Statements, you may do so at no cost to you by:

- (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "<http://www.canb.uscourts.gov>";
- (ii) telephoning the Voting Agent at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

5. The hearing on confirmation of the Plans is scheduled for August 1, 2002, commencing at 9:30 a.m., Pacific time, in the Courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22nd Floor, San Francisco, California 94104. Such hearing may be adjourned from time to time without further notice other than an announcement of the adjourned dates at the hearing and at any adjourned hearing(s). Please see the enclosed Notice of (A) Voting Record Date and Voting Deadline with Respect to, and (B) Hearings to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation for additional details regarding this hearing and the procedure and deadline for filing any objection to the Plans.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE OF NON-VOTING STATUS FOR
(A) PACIFIC GAS AND ELECTRIC COMPANY'S PLAN OF
REORGANIZATION AND (B) THE CALIFORNIA PUBLIC UTILITIES
COMMISSION'S PLAN OF REORGANIZATION FOR PG&E**

**TO: HOLDERS OF "DISPUTED CLAIMS"
(AS DEFINED IN PACIFIC GAS AND ELECTRIC COMPANY'S PLAN OF
REORGANIZATION AND THE CALIFORNIA PUBLIC UTILITIES
COMMISSION'S PLAN OF REORGANIZATION FOR PG&E)**

PLEASE TAKE NOTICE THAT:

1. On April 19, 2002, Pacific Gas and Electric Company ("PG&E") and PG&E Corporation (collectively, "PG&E Plan Proponents") filed the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "Plan") with the United States Bankruptcy Court for the Northern District of California, San Francisco Division. Along with the PG&E Plan, the PG&E Plan Proponents filed the "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation [Dated April 19, 2002]" (the "PG&E Disclosure Statement"). On April 24, 2002, the Bankruptcy Court approved the PG&E Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.

2. On May 17, 2002, the California Public Utilities Commission (the "Commission") filed its Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Plan" and, together with the PG&E Plan, the "Plans"). Along with the Commission Plan,

¹ Unless otherwise expressly stated, all section references in this Notice are to the United States Bankruptcy Code (Title 11 of the United States Code).

the Commission filed its "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization under Chapter 11 for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Disclosure Statement," and, together with the PG&E Disclosure Statement, the "Disclosure Statements"). On May __, 2002, the Bankruptcy Court approved the Commission Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code. All capitalized terms used but not defined in this Notice have the meaning given such terms in the Plans.

3. Pursuant to Section 1126(a), only holders of allowed claims or equity security interests in classes of claims or equity security interests that are impaired and are not deemed to have rejected the Plan are entitled to vote to accept or reject the Plan. A holder of a claim or equity interest therefore is not entitled to vote on the Plan if such claim or equity interest is not an allowed claim or interest. Pursuant to Section 502(a), a claim or interest is not allowed if a party in interest objects thereto, unless and until the Court later determines that allowability of the claim in its ruling on the objection.

4. PG&E's records, with which the Commission agrees, show that you hold a Disputed Claim—that is, (i) a claim, proof of which was properly filed, as to which the Debtor has interposed a timely objection and/or request for estimation in accordance with Section 502(c) of the Bankruptcy Code and/or Federal Rule of Bankruptcy Procedure 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, or (ii) a claim listed on PG&E's Amended and Restated Schedules filed with the Bankruptcy Court on July 2, 2001, as the same may be amended from time to time (the "Schedules"), and not listed as contingent, unliquidated, or disputed (excluding scheduled claims that have been superseded by filed proofs of claims), as to which the Debtor has interposed a timely objection and/or request for estimation in accordance with Section 502(c) of the Bankruptcy Code and/or Federal Rule of Bankruptcy Procedure 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, or (iii) a claim, including a claim listed on PG&E's Schedules as contingent, unliquidated, or disputed, proof of which was required to be filed by order of the Bankruptcy Court or pursuant to applicable law, but as to which a proof of claim was not timely or properly filed. **AS A HOLDER OF A DISPUTED CLAIM, YOU ARE NOT ENTITLED TO VOTE ON THE PLAN TO THE EXTENT OF THE DISPUTED PORTION OF SUCH CLAIM.**

5. The hearing on confirmation of the Plans is scheduled for August 1, 2002, commencing at 9:30 a.m., Pacific time, in the Courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22nd Floor, San Francisco, California 94104. Such hearing may be adjourned from time to time without further notice other than an announcement of the adjourned dates at the hearing and at any adjourned hearing(s). Please see the enclosed Notice of (A) Voting Record Date and Voting Deadline with Respect to, and (B) Hearings to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation for additional details regarding this hearing and the procedure and deadline for filing any objection to the Plans.

6. Unless otherwise requested, neither the Plan Proponents nor the Commission will provide holders of Disputed Claims with copies of the Plans or Disclosure Statements. If you wish to obtain copies of either or both of the Plans or Disclosure Statements, you may do so at no cost to you by: (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's

website at "<http://www.canb.uscourts.gov>"; (ii) telephoning the Voting Agent at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

BENEFICIAL OWNER BALLOT
CLASS 5: GENERAL UNSECURED CLAIMS EVIDENCED BY SECURITIES
[INSERT EXACT NAME OF NOTES/BONDS/SECURITIES]
[INSERT CUSIP NUMBER, IF APPLICABLE]

As a beneficial owner of the **[Insert Exact Name of Securities]** (the "**[Name of Securities]**") issued by Pacific Gas and Electric Company ("PG&E") please use this Ballot to

- cast your vote to accept or reject the "Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan") filed by PG&E and PG&E Corporation (collectively, the "PG&E Proponents") on April 19, 2002,
- cast your vote to accept or reject the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the California Public Utilities Commission (the "Commission") on May 17, 2002 (the "Commission Plan" and together with the PG&E Plan, the "Plans"), and
- if you vote to accept both Plans, indicate your preference as between the PG&E Plan and the Commission Plan.

This Ballot allows you to vote to accept (or reject) either Plan or both Plans and, if you vote to accept both Plans, to then indicate your preference as between the Plans. The PG&E Plan is annexed as Exhibit A to the "Disclosure Statement for Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation dated [April 19, 2002]" (the "PG&E Disclosure Statement"), which accompanies this Ballot. The Commission Plan is annexed as Exhibit A to the "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the Commission on May 17, 2002 (the "Commission Disclosure Statement" and collectively with the PG&E Disclosure Statement, the "Disclosure Statements"), which accompanies this Ballot. All capitalized terms used in this Ballot but not otherwise defined herein shall have the meaning ascribed to them in the PG&E Plan.

Confirmation of each of the PG&E Plan and the Commission Plan requires that the holders of two-thirds in amount and more than one-half in number of claims in each class that actually vote on such Plan, and that the holders of two-thirds in amount of equity security interests in each class that actually vote on such Plan, accept such Plan; provided, however that regardless of rejection (or deemed rejection) of the PG&E Plan and/or the Commission Plan by any class (or classes) of claims or interests, the Bankruptcy Court may nonetheless confirm one of the Plans if at least one impaired class of claims has accepted the Plan (determined without including any acceptance by an insider) and it finds that such Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the class or classes rejecting it.

Please review the Disclosure Statements, the Plans and this Ballot carefully before you vote. You may wish to seek legal advice concerning the Plans and the classification and treatment of your claim in such Plans. If you hold claims or equity interests in more than one class, you will receive a Ballot for each class in which you are entitled to vote. If you are an authorized signatory for more than one beneficial owner of **[Name of Securities]**, you must execute a separate Ballot for each beneficial owner.

DEADLINE

The Voting Deadline is 5:00 p.m. (Eastern Time), August 12, 2002, unless extended by the Bankruptcy Court. **Please return this Ballot in the enclosed pre-addressed, postage-paid envelope so that it is received by the Voting Deadline.** Innisfree M&A Incorporated (the "Voting Agent") will not accept Ballots by fax, e-mail or other electronic means; Ballots faxed, e-mailed or sent by other electronic means will not be accepted by the Voting Agent and will not be counted.

If the Bankruptcy Court confirms the PG&E Plan or the Commission Plan, it will be binding on all creditors whether or not they have voted for either such Plan.

HOW TO VOTE

1. Complete Item 1 (if not already filled out by your nominee), Item 2, Item 3 and, if applicable, Item 4. You may vote your [Name of Securities] to accept or reject each of the PG&E Plan and the Commission Plan. If you voted to accept both Plans in Item 2 and Item 3, you may (but are not required to) indicate in Item 4 which (if any) of the two Plans you prefer. You must vote all your [Name of Securities] either to accept or to reject the PG&E Plan, and/or to accept or to reject the Commission Plan and may not split your vote (i.e., partially accept and partially reject) with respect to either Plan. However, if you receive another Ballot for a class in which you are entitled to vote that is different from the class in which [Name of Securities] has been classified, you may indicate a vote (and preference) in such Ballot that is different from the vote and preference (if any) indicated in this Ballot.
2. Complete Item 5 (if applicable).
3. Review the certifications contained in Item 6.
4. **Sign the Ballot** (unless this Ballot has already been signed or "prevalidated" by your nominee). **Unsigned Ballots will not be counted.**
5. Return the Ballot in the enclosed pre-addressed, postage-paid envelope so that it is received by the Voting Deadline. Ballots to be returned to the Voting Agent may also be forwarded to the following address: Innisfree M&A Incorporated, Attn: In re PG&E, 501 Madison Avenue, 20th Floor, New York, NY 10022; but beneficial owners of securities who received a return envelope addressed to their brokerage firm, bank or other nominee must return their Ballots in the envelope provided, or, if the envelope has been lost, seek further guidance from their brokerage firm, bank or other nominee, or the Voting Agent.
6. Once you have submitted your Ballot to the Voting Agent, acceptance or rejection of either of the Plans may be changed or withdrawn only with permission of the Bankruptcy Court for cause shown. If an individual holder of [Name of Securities] simultaneously submits duplicative Ballots with respect to such Claim that are voted (or otherwise completed) inconsistently, the Voting Agent will not count such Ballots.
7. Ballots of holders of claims and interests that are signed and returned, but not expressly voted for acceptance or rejection of at least one of the Plans will not be counted with respect to such Plan(s).
8. Except as may be allowed by the Bankruptcy Court, an executed Ballot returned to the Voting Agent may not be revoked.
9. This Ballot does not constitute, and shall not be deemed to be, a proof of claim or equity interest or an assertion or admission of a claim or equity interest.

Item 1. Amount of [Name of Securities] Voted. I certify that as of May 21, 2002, I was a beneficial owner of [Name of Securities] following principal amount (insert amount in box below) or that I am the authorized signatory or nominee of that beneficial owner. (If a nominee holds your [Name of Securities] on your behalf and you do not know the amount, please contact your nominee immediately. For purposes of this Ballot, do not adjust the principal amount for any accrued or unmatured interest.)

\$

Item 2. The PG&E Plan (check only one box).

- ☐ ACCEPT (vote FOR) the PG&E Plan.
- ☐ REJECT (vote AGAINST) the PG&E Plan.

Item 3. The Commission Plan (check only one box).

- ☐ ACCEPT (vote FOR) the Commission Plan.
- ☐ REJECT (vote AGAINST) the Commission Plan.

Item 4. If you have voted to accept both the PG&E Plan and the Commission Plan in Item 2 and Item 3 above, you may indicate below your preference as between the PG&E Plan and the Commission Plan. (Any preference indicated below will be counted only if both the PG&E Plan and the Commission Plan have been accepted in Item 2 and Item 3 above.) Check only one box below.

- ☐ Prefer the PG&E PLAN.
- ☐ Prefer the Commission PLAN.

Item 5. Identify All [Name of Securities] Voted. If you own [Name of Securities] through more than one record holder, or in your own name as well as through a record holder and/or hold another Class 5 Claim you may receive more than one Ballot. In that case, please fill in the table below (using additional sheets of paper if necessary) and identify other [Name of Securities] or Class 5 Claims for which you are the beneficial owner or holder, as the case may be. By returning this Ballot, the beneficial owner certifies that (a) this Ballot is the only Ballot submitted for the [Name of Securities] and Class 5 Claims generally, except for those identified in the following table, and (b) all Ballots for [Name of Securities] it submitted indicate the same vote indicated in Item 2 and Item 3 of this Ballot, and the same preference indicated in Item 4 of this Ballot (if applicable).

Fill In Table Below Only If You Have Voted or Are Voting Ballots Other Than This Ballot

Account Number	Name of Record Holder*	Amount of Other CLASS 5 CLAIMS Voted	Type of Other CLASS 5 CLAIMS Voted**

* Insert your name if you are the record holder of these [Name of Securities]. Otherwise, insert the name of your broker, bank, or other nominee.

** See chart of securities and codes attached.

Item 6. Certification By returning this Ballot, the beneficial owner of the amount of [Name of Securities] identified in Item 1 above:

- (a) authorizes and instructs its nominee (i) to furnish the voting information, the customer account number, and the amount of [Name of Securities] the nominee holds on its behalf in a Master Ballot transmitted to the Voting Agent (unless this is a prevalidated Ballot forwarded directly to the Voting Agent in accordance with the nominee's instructions), and (ii) to retain this Ballot and related information in its records for one year after the Voting Deadline;
- (b) certifies that it (i) has full power and authority to vote to accept or reject each of the Plans with respect to the amount of [Name of Securities] identified in Item 1, and (ii) has received copies of the Disclosure Statements and the Plans (including the exhibits thereto); and
- (c) agrees to provide proof of its authority to vote this Ballot if required or requested by the nominee, its agent, the Voting Agent, the PG&E Proponents, the Commission or the Bankruptcy Court.

Name of Holder: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

Name of Signatory: _____
(If Other than Holder)

Title (if holder is not an individual): _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number (including area code): _____

Date Completed: _____

QUESTIONS

If you have any questions regarding this Ballot or the voting procedures, if you believe that you have received this Ballot in error (for example, you believe you should have received a ballot for a different class of securities or different class of claims), or if you do not have a copy of either of the Disclosure Statements or the Plans, please contact the Voting Agent – Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, NY 10022, (telephone: 877-750-9501) – or your broker, bank, or other nominee.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation.

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

MASTER BALLOT
CLASS 5: GENERAL UNSECURED CLAIMS EVIDENCED BY SECURITIES
[INSERT EXACT NAME OF NOTES/BONDS/SECURITIES, IF APPLICABLE]
[INSERT CUSIP NUMBER, IF APPLICABLE]

This Master Ballot is to be used by you – as a broker, bank, or other nominee; or as the proxy holder of a nominee or beneficial owner – to record and transmit the votes of the beneficial owners of the **[Insert Exact Name of Securities]** (the “**[Name of Securities]**”) issued by Pacific Gas and Electric Company (“PG&E”) concerning the acceptance or rejection of (i) the “Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]” (the “PG&E Plan”) filed by PG&E and PG&E Corporation (collectively, the “PG&E Proponents”), and (ii) the Plan of Reorganization for PG&E filed by the California Public Utilities Commission (the “Commission”) dated May 17, 2002 (the “Commission Plan” and together with the PG&E Plan, the “Plans”). This Master Ballot is also to be used by you to indicate preferences (if any) of the beneficial owners as between the Plans, to the extent such beneficial owners voted to accept both Plans.

We previously sent you for prompt delivery to beneficial owners our “Solicitation Package” that includes the PG&E Plan and the Disclosure Statement filed by the PG&E Proponents [dated April 19, 2002] (the “PG&E Disclosure Statement”), the Commission Plan and the Disclosure Statement filed by the Commission on May 17, 2002 (the “Commission Disclosure Statement” and collectively with the PG&E Disclosure Statement, the “Disclosure Statements”), and a Beneficial Owner Ballot. Please take any action required to enable each beneficial owner to timely vote its **[Name of Securities]** to accept or reject the PG&E Plan, to accept or reject the Commission Plan and to indicate its preference (if any) as between the Plans. For Beneficial Owner Ballots returned to you, you must (1) execute this Master Ballot to reflect the voting instructions given to you in the Beneficial Owner Ballots and (2) forward this Master Ballot to Innisfree M&A Incorporated (the “Voting Agent”) at the following address: Innisfree M&A Incorporated, Attention: **PG&E Ballot Tabulation, 501 Madison Avenue, 20th Floor, New York, NY 10022**. Before you transmit any votes, please review this Master Ballot and the voting procedures set forth in Section I.D. of the PG&E Disclosure Statement.

DEADLINE

The Voting Deadline is 5:00 p.m. (Eastern Time), August 12, 2002, unless extended by the Bankruptcy Court. **If the Voting Agent does not timely receive your Master Ballot by August 12, 2002, the votes included in your Master Ballot will not count. Do not send your Master Ballot by fax, e-mail or other electronic means (provided, however, that Euroclear and Clearstream may transmit their Master Ballots electronically as customary); except as provided above, Master Ballots faxed, e-mailed or sent by other electronic means to the Voting Agent will not be counted.**

No fees, commissions, or other remuneration will be payable to any broker, bank, dealer, nominee, or other person for soliciting ballots accepting the PG&E Plan or the Commission Plan. You will be reimbursed, upon request, for customary mailing and handling expenses incurred by you in forwarding the Beneficial Owner Ballots and other enclosed materials to the beneficial owners of **[Name of Securities]** held by you as a nominee or in a fiduciary capacity.

Nothing contained in this Master Ballot or in the enclosed documents renders you or any other person an agent for the PG&E Proponents, the Commission or the Voting Agent, or authorizes you or any other person to use any document or make any statement on behalf of any of them with respect to the PG&E Plan or the Commission Plan, except for the statements contained in the Solicitation Package.

HOW TO VOTE

1. To transmit the votes of beneficial owners of [Name of Securities], you may either:

- (a) deliver the Solicitation Package (which includes a Beneficial Owner Ballot) to each beneficial owner for which you hold [Name of Securities] and take any action required to enable each beneficial owner to (i) complete and execute the Beneficial Owner Ballot voting to accept or reject each of the PG&E Plan and the Commission Plan and, if such beneficial owner accepted both Plans, indicating a preference (if any) as between the Plans, and (ii) return the completed, executed Beneficial Owner Ballot to you in sufficient time to enable you to complete this Master Ballot and deliver it to the Voting Agent by the Voting Deadline;

or

- (b) prevalidate the Beneficial Owner Ballot (by signing that ballot and by indicating on the ballot the record holder of the [Name of Securities] voted, the principal amount and the appropriate account numbers through which the beneficial owner's holdings are derived, making sure to retain this information in your records for one year after the Voting Deadline) and then forward the Beneficial Owner Ballot and the Solicitation Package to the beneficial owner of the [Name of Securities] for voting so that the beneficial owner may return the completed ballot directly to the Voting Agent in the enclosed pre-addressed, postage-paid return envelope.

2. For Beneficial Owner Ballots returned to you, you must (a) complete this Master Ballot to reflect the voting instructions given to you in the Beneficial Owner Ballots, (b) forward this Master Ballot to the Voting Agent, and (c) retain those Beneficial Owner Ballots in your records for one year after the Voting Deadline.

3. To complete this Master Ballot properly, take the following steps:

- (a) Check the appropriate box in Item 1.
- (b) Vote to accept (for) or reject (against) the PG&E Plan in Item 2 (Column A), vote to accept (for) or reject (against) the Commission Plan in Item 2 (Column B), in each case for the [Name of Securities] held by you as the nominee or proxy holder on behalf of the nominee or the beneficial owners. With respect to each such beneficial owner who has voted to accept both Plans, indicate in Item 3 (Column C) such beneficial owner's preference (if any) as between the Plans. Please provide information for each beneficial owner for whom you are voting [Name of Securities] in your name. If you are unable to disclose the identity of a beneficial owner, please use the customer account number assigned by you to that beneficial owner or, if no such customer account number exists, please assign a number to each account (making sure to retain a separate list of each beneficial owner and the assigned number in your records for one year after the Voting Deadline). Any Master Ballot that is signed, dated and timely received, but does not expressly indicate, with respect to a beneficial owner, acceptance or rejection of at least one of the Plans will not be counted with respect to such Plan(s) (as to such beneficial owner).
- (c) Fill in the information requested in Item 3 for each beneficial owner that completed Item 5 of its Beneficial Owner Ballot, if applicable, but only to the extent such beneficial owner voted to accept both Plans.
- (d) Read and complete Item 4 carefully.
- (e) Sign and date this Master Ballot.
- (f) Provide your name and address.
- (g) If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the application Item of the Master Ballot to which you are responding.
- (h) Deliver this completed, executed Master Ballot so as to be received by the Voting Agent by 5:00 p.m. (Eastern Time) on August 12, 2002. The Master Ballot may be sent by mail, courier or by hand delivery to the Voting Agent, Innisfree M&A Incorporated, Attention: PG&E Ballot Tabulation, 501 Madison Avenue, 20th Floor, New York, NY 10022 (telephone: 877-750-9501).

4. This Master Ballot does not constitute, and shall not be deemed to be a position of claim or equity interest or an assertion or admission of claim or equity interest.

Item 1: Certification of Authority to Vote. The undersigned certifies that it (please check applicable box):

- ☐ is a broker, bank, or other nominee that on May 21, 2002 was the registered holder of the aggregate principal amount of [Name of Securities] listed in Item 2 and Item 3 below; or
- ☐ is acting under a power of attorney, agency, or proxy (a copy of which will be provided upon request) granted by a broker, bank, or other nominee or a beneficial owner that on May 21, 2002 was the registered holder of the aggregate principal amount of [Name of Securities] listed in Item 2 and Item 3 below.

and accordingly, has full power and authority (i) to vote to accept or reject the PG&E Plan and to vote to accept or reject the Commission Plan on behalf of the beneficial owners of the [Name of Securities] listed in Item 2 and Item 3, respectively, and (ii) to indicate such beneficial owners' preferences (if any) as between the Plans in Item 4.

Item 2: [Name of Securities] Claims (Class _____) Vote on the PG&E Plan, and, If Applicable, Indicate Preference as Between the PG&E Plan and the Commission Plan. The undersigned certifies that: (a) the following beneficial owners of [Name of Securities], as identified by their respective customer account numbers, were beneficial owners of [Name of Securities] on May 21, 2002 and have delivered to the undersigned Beneficial Owner Ballots (i) casting votes with respect to the PG&E Plan as indicated in Column A below (ii) casting votes with respect to the Commission Plan as indicated in Column B below, and (iii) if such beneficial owners voted to accept both Plans, noting any preference indicated by the beneficial owner as between the Plans indicated in Column C below, and containing instructions for the casting of those votes and indication of such preferences on their behalf; and (b) if the beneficial owner has purported to vote more or less than the aggregate principal amount of [Name of Securities] that the holder actually owned, the vote transcribed onto this Master Ballot reflects, based on the undersigned's records, the *actual amount owned* by the holder on May 21, 2002:

Customer Name or Account Number for Each Beneficial Owner of [Name of Securities]	Face Amount of Securities					
	Column A		Column B		Column C	
	To Accept (For) the PG&E Plan	To Reject (Against) the PG&E Plan	To Accept (For) the Commission Plan	To Reject (Against) the Commission	Prefers PG&E Plan	Prefers Commission
1.	\$	\$	\$	\$	\$	\$
2.	\$	\$	\$	\$	\$	\$
3.	\$	\$	\$	\$	\$	\$
4.	\$	\$	\$	\$	\$	\$
5.	\$	\$	\$	\$	\$	\$
6.	\$	\$	\$	\$	\$	\$
7.	\$	\$	\$	\$	\$	\$
8.	\$	\$	\$	\$	\$	\$
9.	\$	\$	\$	\$	\$	\$
10.	\$	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$	\$

A beneficial owner must vote all its [Name of Securities] either to accept or reject the PG&E Plan and/or to accept or reject the Commission Plan, and may not split its vote (i.e., partially accept and partially reject) with respect to either Plan. Similarly, if a beneficial owner indicates its preference as between the Plans, it must indicate that it prefers either the PG&E Plan or the Commission Plan, and may not split its indication of preference between the Plans. If a beneficial owner has purported to split its votes or its indication of preference, do not enter any vote or any indication of preference, as the case may be, in this table for such beneficial owner. You should instead provide a separate tabulation of those ballots.

Item 3: Additional Class 5 Ballots Submitted by Beneficial Owners. The undersigned certifies that it has transcribed below the information, if any, provided in Item 5 of each Beneficial Owner Ballot received from a beneficial owner:

Customer Name or Account Number for Each Beneficial Owner of [Name of Securities]	Transcribe From Item 5 Of Beneficial Owner Ballot		
	Account Number	Name of Record Holder	Principal Amount of Other [Name of Securities] Voted
1.			\$
2.			\$
3.			\$
4.			\$
5.			\$

Item 4: By signing this Master Ballot, the undersigned certifies that it:

- (a) sent a copy of the Solicitation Package to each beneficial owner of [Name of Security] for which the nominee indicated below was the record holder as of May 21, 2002; and
- (b) obtained and transmitted the votes reflected in this Master Ballot in accordance with the instructions and procedures set forth in the PG&E Disclosure Statement and this Master Ballot.

Name of Broker, Bank, or Other Nominee:

(Print or Type)

Name of Proxy Holder or Agent for Broker, Bank, or Other Nominee (if applicable):

(Print or Type)

Signature: _____

Name of Signatory: _____

Title: _____

(If Appropriate)

Address: _____

Telephone (including area code): _____

QUESTIONS

If you have any question regarding this Master Ballot or the voting procedures, or if you need additional copies of the Master Ballot or the Solicitation Package, please contact the Voting Agent – Innisfree M&A Incorporated, at 501 Madison Avenue, 20th Floor, New York, NY 10022 (telephone: 877-750-9501).

WD 051402/1-1419915/990795/v5

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation.

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

CLAIM HOLDER BALLOT
CLASS 5: GENERAL UNSECURED CLAIMS NOT EVIDENCED BY SECURITIES

As a holder of a claim that has been placed in Class 5 (a "Class 5 Claim") and that is not evidenced by securities, you should use this Ballot to:

- cast your vote to accept or reject the "Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan") filed by PG&E and PG&E Corporation (collectively, the "PG&E Proponents"), or elect to have your Class 5 Claim reduced to be included in Class 10 (Convenience Claims) for purposes of the PG&E Plan (if your claim is that of a vendor, supplier or service provider of PG&E),
- cast your vote to accept or reject the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the California Public Utilities Commission (the "Commission") on May 17, 2002 (the "Commission Plan" and together with the PG&E Plan, the "Plans"), or elect to have your Class 5 Claim reduced to be included in Class 10 (Convenience Claims) for purposes of the Commission Plan (if your claim is that of a vendor, supplier or service provider of PG&E), and
- if you vote to accept both Plans, indicate your preference as between the PG&E Plan and the Commission Plan.

If either of the Plans is confirmed, any Class 5 Claim holder who holds a claim of a vendor, supplier or service provider of PG&E and who elects to reduce such claim and participate in Class 10 under such Plan will receive a payment of \$100,000 in principal amount on the effective date of such Plan and as a consequence, such claim will no longer be considered impaired under such Plan. Unimpaired claims under the PG&E Plan and/or the Commission Plan are deemed to have accepted such Plan(s) and will not be entitled to vote such claim with respect to such Plan(s). This Ballot allows you to vote to accept (or reject) either Plan or both Plans and, if you vote to accept both Plans, to then indicate your preference as between the Plans. The PG&E Plan is attached as Exhibit A to the "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation [dated April 19, 2002]" (the "PG&E Disclosure Statement"), which accompanies this Ballot. The Commission Plan is annexed as Exhibit A to the "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the Commission on May 17, 2002 (the "Commission Disclosure Statement" and collectively with the PG&E Disclosure Statement, the "Disclosure Statements") which accompanies this Ballot. The Bankruptcy Court has approved both the PG&E Disclosure Statement with respect to the PG&E Plan and the Commission Disclosure Statement with respect to the Commission Plan. All capitalized terms used in this Ballot but not otherwise defined herein shall have the meaning ascribed to them in the PG&E Plan.

Confirmation of each of the PG&E Plan and the Commission Plan requires that the holders of two-thirds in amount and more than one-half in number of claims in each class that actually vote on such Plan, and that the holders of two-thirds in amount of equity security interests in each class that actually vote on such Plan, accept such Plan; provided, however that regardless of rejection (or deemed rejection) of the PG&E Plan and/or the Commission Plan by any class (or classes) of claims or interests, the Bankruptcy Court may nonetheless confirm one of the Plans if at least one impaired class of claims has accepted the Plan (determined without including any acceptance by an insider) and it finds that such Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the class or classes rejecting it.

Please review the Disclosure Statements, the Plans and this Ballot fully before you elect to vote or reduce your Class 5 Claim (as the case may be). You may wish to seek legal advice concerning the Plans and the classification and treatment of your claim in such Plans. If you hold claims or equity interests in more than one class, you will receive a Ballot for each class in which you are entitled to vote. If you are an authorized signatory for more than one holder of a Class 5 Claim, you must execute a separate Ballot for each holder of a Class 5 Claim.

DEADLINE

The Voting Deadline is 5:00 p.m. (Eastern Time), August 12, 2002, unless extended by the Bankruptcy Court. If Innisfree M&A Incorporated (the "Voting Agent") does not receive your Ballot by the Voting Deadline, your election or vote (as the case may be) in such Ballot will not count. Do not send your Ballot to the Voting Agent by fax, e-mail or other electronic means; Ballots faxed, e-mailed or sent by other electronic means will not be counted.

If the Bankruptcy Court confirms the PG&E Plan or the Commission Plan, it will be binding on all creditors whether or not they have voted for either such Plan.

HOW TO VOTE

1. Complete Item 1, Item 2 and Item 3. You must vote all your Class 5 Claim either to accept or to reject the PG&E Plan and/or to accept or to reject the Commission Plan and may not split your vote (i.e., partially accept and partially reject) with respect to either Plan. Moreover, an election to be included in Class 10 under either Plan will apply to your entire Class 5 Claim with respect to such Plan. However, if you receive another Ballot for a class in which you are entitled to vote that is different from your Class 5 Claim, you may indicate a vote (and preference) in such Ballot that is different from the vote and preference (if any) indicated in this Ballot.
2. Complete Item 4 only if you voted to accept both the PG&E Plan and the Commission Plan in Items 2 and 3.
3. Review the certifications contained in Item 5.
4. **Sign the Ballot. Unsigned Ballots will not be counted.**
5. Return the Ballot in the enclosed pre-addressed, postage-paid envelope. Ballots may also be forwarded to the following address: Innisfree M&A Incorporated, Attn: In re PG&E, 501 Madison Avenue, 20th Floor, New York, NY 10022.
6. Once you have submitted your Ballot to the Voting Agent, acceptance or rejection of either of the Plans may be changed or withdrawn only with permission of the Bankruptcy Court for cause shown. If an individual holder of a Class 5 Claim simultaneously submits duplicative Ballots with respect to such Claim that are voted (or otherwise completed) inconsistently, the Voting Agent will not count such Ballots.
7. The Ballots of Class 5 Claim holders who sign, date and return their Ballots but fail to check a box in Item 2 and Item 3 will be void and of no effect.
8. Except as may be allowed by the Bankruptcy Court, an executed Ballot returned to the Voting Agent may not be revoked after the Voting Deadline.
9. This Ballot does not constitute, and shall not be deemed to be, a proof of claim or equity interest or an assertion or admission of a claim or equity interest.

Item 1. Amount of Class 5 Claim noted. I certify that as of May 21, 2002, I am a holder of a Class 5 Claim in the following amount: \$ April 6, 2001 (insert amount in box below, and that I am the authorized signatory of that holder. (For purposes of this Ballot, do not adjust the amount for any interest that has accrued after April 6, 2001.)

\$

Item 2. The PG&E Plan (check only one box).

- ☐ ACCEPT (vote FOR) the PG&E Plan.
- ☐ REJECT (vote AGAINST) the PG&E Plan.
- ☐ REDUCE Class 5 Claim to the amount of \$100,000 for Participation in Class 10 (Convenience Claims) for purposes of the PG&E Plan. You may check this box only if your Class 5 Claim is that of a vendor, supplier or service provider of PG&E. Class 10 Claims are unimpaired and are deemed to have accepted the PG&E Plan. If you check this box, no vote under the PG&E Plan is allowed or required.

Item 3. The Commission Plan (check only one box).

- ☐ ACCEPT (vote FOR) the Commission Plan.
- ☐ REJECT (vote AGAINST) the Commission Plan.
- ☐ REDUCE Class 5 Claim to the amount of \$100,000 for participation in Class 10 (Convenience Claims) for purposes of the Commission Plan. You may check this box only if your Class 5 Claim is that of a vendor, supplier or service provider of PG&E. Class 10 Claims are unimpaired and are deemed to have accepted the Commission Plan. If you check this box, no vote under the Commission Plan is allowed or required.

Item 4. If you have voted to accept both the PG&E Plan and the Commission Plan in Item 2 and Item 3 above (and you have not elected to reduce your Class 5 Claim to the amount of \$100,000), you may indicate below your preference as between the PG&E Plan and the Commission Plan. (Any preference indicated below will be counted only if both the PG&E Plan and the Commission Plan have been accepted in Item 2 and Item 3 above, and you have not checked the box to reduce your Class 5 Claim to the amount of \$100,000 for participation in Class 10.) Check only one box below.

- ☐ Prefer the PG&E PLAN.
- ☐ Prefer the Commission PLAN.

Item 5. Certification. By returning this Ballot, the holder of the amount of the Class 5 Claim identified in Item 1 above:

- (a) certifies that it (i) has full power and authority to vote to accept or reject each of the Plans with respect to the Class 5 Claim identified in Item 1 or to elect to reduce the Class 5 Claim identified in Item 1 for participation in Class 10, and (ii) has received copies of the Disclosure Statements and the Plans (including the exhibits thereto); and
- (b) agrees to provide proof of its authority to vote this Ballot if required or requested by the Voting Agent, the PG&E Proponents, the Commission, or the Bankruptcy Court.

Name of Holder: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

Name of Signatory: _____
(If Other than Holder)

Title (if holder is not an individual): _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number (including area code): _____

Date Completed: _____

QUESTIONS

If you have any questions regarding this Ballot or the voting procedures, if you believe that you have received this Ballot in error (for example, you believe you should have received a ballot for a different class of claims), or if you do not have a copy of either of the Disclosure Statements or the Plans, please contact the Voting Agent – Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, NY 10022 (phone: 877-750-9501).

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY, a
California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

CLAIM HOLDER BALLOT

**CLASS [3 (3a and 3b) or 4a] : [SECURED CLAIMS RELATING TO FIRST AND REFUNDING
MORTGAGE BONDS] OR [MORTGAGE BACKED PC BOND CLAIMS]**

As a holder of a claim that has been placed in Class __ (a "Class __ Claim"), you should use this Ballot to:

- cast your vote to accept or reject the "Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan") filed by PG&E and PG&E Corporation (collectively, the "PG&E Proponents"); and
- if you vote to accept the PG&E Plan, indicate your preference as between the PG&E Plan and the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the California Public Utilities Commission (the "Commission") on May 17, 2002 (the "Commission Plan"), which you are deemed to have accepted pursuant to the Bankruptcy Code. (The Commission Plan and the PG&E Plan are referred to collectively as the "Plans.")

Unimpaired claims under the PG&E Plan and/or the Commission Plan are deemed to have accepted such Plan(s) and will not be entitled to vote such claim with respect to such Plan(s). However, holders of Class __ claims which are impaired under PG&E's Plan but unimpaired under the Commission Plan are permitted, if they vote to accept PG&E's Plan, to also indicate a preference as between the PG&E Plan and the Commission Plan. Accordingly, this Ballot allows you to vote to accept (or reject) the PG&E Plan and, if you vote to accept the PG&E Plan, to then indicate your preference as between the Plans. The PG&E Plan is attached as Exhibit A to the "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation dated [April 19, 2002]" (the "PG&E Disclosure Statement"), which accompanies this Ballot. The Commission Plan is annexed as Exhibit A to the "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 15, 2002]" filed by the Commission on May 17, 2002 (the "Commission Disclosure Statement" and collectively with the PG&E Disclosure Statement, the "Disclosure Statements") which accompanies this Ballot. The Bankruptcy Court has approved both the PG&E Disclosure Statement with respect to the PG&E Plan and the Commission Disclosure Statement with respect to the Commission Plan. All capitalized terms used in this Ballot but not otherwise defined herein shall have the meanings ascribed to them in the PG&E and Commission Plans, as applicable.

Confirmation of each of the PG&E Plan and the Commission Plan requires that the holders of two-thirds in amount and more than one-half in number of claims in each class that actually vote on such Plan, and that the holders of two-thirds in amount of equity security interests in each class that actually vote on such Plan, accept such Plan; provided, however that regardless of rejection (or deemed rejection) of the PG&E Plan and/or the Commission Plan by any class (or classes) of claims or interests, the Bankruptcy Court may nonetheless confirm one of the Plans if at least one impaired class of claims has accepted the Plan (determined without including any acceptance by an insider) and it finds that such Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the class or classes rejecting it.

Please review the Disclosure Statements, the Plans and this Ballot carefully before you elect to vote. You may wish to seek legal advice concerning the Plans and your claim's classification and treatment in such Plans. If you hold claims or equity interests in more than one class, you will receive a Ballot for each class in which you are entitled to vote. If you are an authorized signatory for more than one holder of a Class __ Claim, you must execute a separate Ballot for each holder of a Class __ Claim.

DEADLINE

The Voting Deadline is 5:00 p.m. (Eastern Time), August 12, 2002, unless extended by the Bankruptcy Court. Please return this Ballot so that it is received by the Voting Deadline. Innisfree M&A Incorporated (the "Voting Agent") will not accept Ballots by fax, e-mail or other electronic means: Ballots faxed, e-mailed or sent by other electronic means will not be accepted by the Voting Agent and will not be counted.

If the Bankruptcy Court confirms the PG&E Plan or the Commission Plan, it will be binding on all creditors and interest holders, whether or not they have voted for either such Plan.

HOW TO VOTE

1. Complete Item 1 (if not already filled out by your nominee) and Item 2. You must vote all your Class __ Claim either to accept or to reject the PG&E Plan. However, if you receive another Ballot for a class in which you are entitled to vote that is different from your Class __ Claim, you may indicate a vote (and preference) in such Ballot that is different from the vote and preference (if any) indicated in this Ballot.
2. Complete Item 4 only if you voted to accept the PG&E Plan in Item 2.
3. Complete Item 5 (if applicable).
4. Review the certifications contained in Item 6.
5. Sign the Ballot (unless this Ballot has already been signed or "prevalidated" by your nominee). **Unsigned Ballots will not be counted.**
6. Return the Ballot in the enclosed pre-addressed, postage-paid envelope so that it is received by the Voting Deadline. Ballots to be returned to the Voting Agent may also be forwarded to the following: Innisfree M&A Incorporated, Attn: In re PG&E, 501 Madison Avenue, 20th Floor, New York, NY 10022; but beneficial owners of securities who received a return envelope addressed to their brokerage firm, bank or other nominee must return their Ballots in the envelope provided, or, if the envelope has been lost, seek further guidance from their brokerage firm, bank or other nominee, or the Voting Agent.
7. Once you have submitted your Ballot to the Voting Agent, acceptance of the PG&E Plan may be changed or withdrawn only with permission of the Bankruptcy Court for cause shown. If an individual holder of a Class __ Claim simultaneously submits duplicative Ballots with respect to such Claim that are voted (or otherwise completed) inconsistently, the Voting Agent will not count such Ballots.
8. The Ballots of Class __ Claim holders who sign, date and return their Ballots but fail to check a box in Item 2 will be void and of no effect.
9. Except as may be allowed by the Bankruptcy Court, an executed Ballot returned to the Voting Agent may not be revoked after the Voting Deadline.
10. This Ballot does not constitute, and shall not be deemed to be, a proof of claim or equity interest or an assertion or admission of a claim or equity interest.

Item 1. Amount of Class __ Claim Voted. I certify that as of May 21, 2002, I was the holder of a Class __ Claim in the following amount as of April 6, 2001 (insert amount in box below) or I am the authorized signatory or nominee of the record holder. (If a nominee holds your Class __ claim on your behalf and you do not know the amount, please contact your nominee immediately. For purposes of this Ballot, do not adjust the amount for any interest that has accrued after April 6, 2001.)

\$ _____

Item 2. The PG&E Plan (check only one box).

- ☐ ACCEPT (vote FOR) the PG&E Plan.
- ☐ REJECT (vote AGAINST) the PG&E Plan.

Item 3. The Commission Plan

Because your Class __ Claim is Unimpaired under the Commission Plan you are deemed to **ACCEPT** the Commission Plan and are therefore not entitled to vote with respect to the Commission Plan.

Item 4. If you have voted to accept the PG&E Plan, you may indicate below your preference as between the PG&E Plan and the Commission Plan. Check only one box below.

- ☐ Prefer the PG&E PLAN.
- ☐ Prefer the COMMISSION PLAN.

Item 5. Identify All Class __ Claims Voted. If you hold Class __ Claims through more than one record holder, or in your own name as well as through a record holder you may receive more than one Ballot. In that case, please fill in the table below (using additional sheets of paper if necessary) and identify other Class __ Claims for which you are the beneficial owner or the holder, as the case may be. By returning this Ballot, the beneficial owner certifies that (a) this Ballot is the only Ballot it submitted for Class __ Claims, except for those identified in the following table, and (b) all Ballots for Class __ claims it submitted indicate the same vote indicated in Item 2 of this Ballot, and the same preference indicated in Item 4 of this Ballot (if applicable).

Fill In Table Below Only If You Have Voted or Are Voting Ballots Other Than This Ballot

Account Number	Name of Record Holder*	Amount of Other CLASS __ CLAIMS Voted

* Insert your name if you are the record holder of these Class __ Claims. Otherwise, insert the name of your broker, bank, or other nominee.

Item 6. Certification. By return _____ is Ballot, the holder of the amount of the Cla. _____ Claim identified in Item 1 above:

- (a) authorizes and instructs its nominee (i) to furnish the voting information, the customer account number, and the amount of Class ____ Claims the nominee holds on its behalf in a Master Ballot transmitted to the Voting Agent (unless this is a prevalidated Ballot forwarded directly to the Voting Agent in accordance with the nominee's instructions), and (ii) to retain this Ballot and related information in its records for one year after the Voting Deadline;
- (b) certifies that it (i) has full power and authority to vote to accept or reject the PG&E Plan with respect to the Class ____ Claim identified in Item 1, and (ii) has received copies of the Disclosure Statements and the Plans (including the exhibits thereto); and
- (c) agrees to provide proof of its authority to vote this Ballot if required or requested by the nominee, its agent, the Voting Agent, the PG&E Proponents, the Commission, or the Bankruptcy Court.

Name of Holder: _____
(Print or Type)

Social Security or Federal Tax I.D. No.: _____
(Optional)

Signature: _____

Name of Signatory: _____
(If Other than Holder)

Title (if holder is not an individual): _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____

Date Completed: _____

QUESTIONS

If you have any questions regarding this Ballot or the voting procedures, if you believe that you have received this Ballot in error (for example, you believe you should have received a ballot for a different class of claims), or if you do not have a copy of either of the Disclosure Statements or the Plans, please contact the Voting Agent – Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, NY 10022, (telephone: 877-750-9501) – or your broker, bank or other nominee.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO PARTIES TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES
WITH PACIFIC GAS AND ELECTRIC COMPANY TO BE ASSUMED AND
ASSIGNED PURSUANT TO THE PLAN OF REORGANIZATION UNDER CHAPTER
11 OF THE BANKRUPTCY CODE FOR PACIFIC GAS AND ELECTRIC COMPANY
DATED [APRIL 19, 2002]**

PLEASE TAKE NOTICE THAT the records of Pacific Gas and Electric Company ("PG&E" or the "Debtor") show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company (the "Plan") dated [April 19, 2002] and the Plan Supplement dated February 1, 2002, as amended,¹ PG&E intends to "assume" your contract or lease and "assign" it, within the meaning of Section 365 of the Bankruptcy Code (11 U.S.C. §365), to _____, an affiliated entity. You can obtain a copy of the Plan and the accompanying Disclosure Statement, at no cost to you, by (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "www.canb.uscourts.gov"; (ii) telephoning the Voting Agent appointed in this case at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

Pursuant to the Plan, except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, the Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed and assigned by the Debtor in accordance with Section 365(b)(1) of the Bankruptcy Code (11 U.S.C. §365(b)(1)). All disputed defaults that are required to be cured shall be cured either within thirty (30) days after the entry of a Final Order determining the amount, if any, of the Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties. See Article VI. of the Plan for additional information regarding assumed and assigned executory contracts and unexpired leases.

With this Notice, you will receive a copy of the Notice of the Bankruptcy Court's Orders Approving PG&E's and the CPUC's Motion for Order (i) Approving Notices of Non-Voting Status, Notices to Parties to Executory Contracts and Notice to State Agencies, and (ii) Approving Voting Solicitation Procedures, Form of Voting Ballots, Voting Timetable and Tabulation Procedures Regarding Plans of Reorganization and, inter alia, establishing (a) the

¹Capitalized terms not defined herein have the meanings ascribed to them in the Plan.

Voting Record Date and (b) fixing the date, time and place for the Confirmation Hearing and the deadline for filing objections to confirmation.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO PARTIES TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES
WITH PACIFIC GAS AND ELECTRIC COMPANY TO BE REJECTED PURSUANT
TO THE PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE FOR PACIFIC GAS AND ELECTRIC COMPANY DATED
[APRIL 19, 2002]**

PLEASE TAKE NOTICE THAT the records of Pacific Gas and Electric Company ("PG&E" or the "Debtor") show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company (the "Plan") dated [April 19, 2002] and the Plan Supplement dated February 1, 2002, as amended,¹ PG&E intends to "reject" your contract or lease within the meaning of Section 365 of the Bankruptcy Code (11 U.S.C. §365). You can obtain a copy of the Plan and the accompanying Disclosure Statement, at no cost to you, by (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "www.canb.uscourts.gov"; (ii) telephoning the Voting Agent appointed in this case at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

Pursuant to the Plan, Claims arising out the rejection of an executory contract or unexpired lease must be properly filed in the Chapter 11 Case and served upon the Debtor no later than thirty (30) days after the later of (a) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (b) notice of entry of the Confirmation Order and (c) notice of an amendment to Schedule 6.1(a)(i) or 6.1(a)(ii) to the Plan Supplement. All such Claims not filed within such time shall be forever barred from assertion against the Debtor, its estate and its property. See Article VI. of the Plan for additional information regarding rejected executory contracts and unexpired leases.

With this Notice, you will receive a copy of the Notice of the Bankruptcy Court's Orders Approving PG&E's and the CPUC's Motion for Order (i) Approving Notices of Non-Voting Status, Notices to Parties to Executory Contracts and Notice to State Agencies, and (ii) Approving Voting Solicitation Procedures, Form of Voting Ballots, Voting Timetable and Tabulation Procedures Regarding Plans of Reorganization and, inter alia, establishing (a) the

¹Capitalized terms not defined herein have the meanings ascribed to them in the Plan.

Voting Record Date and (b) fixing the date, time and place for the Confirmation Hearing and the deadline for filing objections to confirmation.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO PARTIES TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES
WITH PACIFIC GAS AND ELECTRIC COMPANY TO BE ASSUMED PURSUANT TO
THE PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY
CODE FOR PACIFIC GAS AND ELECTRIC COMPANY DATED [APRIL 19, 2002]**

PLEASE TAKE NOTICE THAT the records of Pacific Gas and Electric Company ("PG&E" or the "Debtor") show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company (the "Plan") dated [April 19, 2002] and the Plan Supplement dated February 1, 2002, as amended,¹ PG&E intends to "assume" your contract or lease within the meaning of Section 365 of the Bankruptcy Code (11 U.S.C. §365). You can obtain a copy of the Plan and the accompanying Disclosure Statement, at no cost to you, by (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "www.canb.uscourts.gov"; (ii) telephoning the Voting Agent appointed in this case at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

Pursuant to the Plan, except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, the Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by the Debtor in accordance with Section 365(b)(1) of the Bankruptcy Code (11 U.S.C. §365(b)(1)). All disputed defaults that are required to be cured shall be cured either within thirty (30) days after the entry of a Final Order determining the amount, if any, of the Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties. See Article VI. of the Plan for additional information regarding assumed executory contracts and unexpired leases.

With this Notice, you will receive a copy of the Notice of the Bankruptcy Court's Orders Approving PG&E's and the CPUC's Motion for Order (i) Approving Notices of Non-Voting Status, Notices to Parties to Executory Contracts and Notice to State Agencies, and (ii) Approving Voting Solicitation Procedures, Form of Voting Ballots, Voting Timetable and Tabulation Procedures Regarding Plans of Reorganization and, inter alia, establishing (a) the Voting Record Date and (b) fixing the date, time and place for the Confirmation Hearing and the deadline for filing objections to confirmation.

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Plan.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO PARTIES TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES
WITH PACIFIC GAS AND ELECTRIC COMPANY TO BE ASSUMED PURSUANT TO
THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S PLAN OF
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE FOR
PACIFIC GAS AND ELECTRIC COMPANY [DATED MAY 17, 2002]**

PLEASE TAKE NOTICE THAT the records of Pacific Gas and Electric Company ("PG&E" or the "Debtor") show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the California Public Utilities Commission's (the "Commission") Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas & Electric Company [Dated May 17, 2002] (the "Commission Plan"), if you are a party to an executory contract or unexpired lease scheduled as such in the PG&E Plan Supplement, PG&E intends to "assume" your contract or lease within the meaning of Section 365 of the Bankruptcy Code (11 U.S.C. §365). You can obtain a copy of the Commission Plan and the accompanying Disclosure Statement, at no cost to you, by (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "www.canb.uscourts.gov"; (ii) telephoning the Voting Agent appointed in this case at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

Pursuant to the Commission Plan, except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, the Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by the Debtor in accordance with Section 365(b)(1) of the Bankruptcy Code (11 U.S.C. §365(b)(1)). All disputed defaults that are required to be cured shall be cured either within thirty (30) days after the entry of a Final Order determining the amount, if any, of the Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties. See Article VI. of the Commission Plan for additional information regarding assumed executory contracts and unexpired leases.

In addition to receiving the Notice herein, you may have also received a notice from PG&E styled "Notice to Parties to Executory Contracts or Unexpired leases with Pacific Gas & Electric Company to be Assumed and Assigned Pursuant to the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas & Electric Company Dated [April 19, 2002] (the "PG&E Plan"). Unlike the PG&E Plan, the Commission Plan does not provide for the assignment of any assumed executory contracts or unexpired leases.

With this Notice, you will receive a copy of the Notice of the Bankruptcy Court's Orders Approving PG&E's and the CPUC's Motion for Order (i) Approving Notices of Non-

Voting Status, Notices to Parties to Executory Contracts and Notice to State Agencies, and (ii) Approving Voting Solicitation Procedures, Form of Voting Ballots, Voting Timetable and Tabulation Procedures Regarding Plans of Reorganization and, inter alia, establishing (a) the Voting Record Date and (b) fixing the date, time and place for the Confirmation Hearing and the deadline for filing objections to confirmation.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO PARTIES TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES
WITH PACIFIC GAS AND ELECTRIC COMPANY TO BE REJECTED PURSUANT
TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S PLAN OF
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE FOR
PACIFIC GAS & ELECTRIC COMPANY DATED MAY 17, 2002**

PLEASE TAKE NOTICE THAT the records of Pacific Gas and Electric Company ("PG&E" or the "Debtor") show that you are a party to an executory contract or unexpired lease with PG&E. Pursuant to the California Public Utilities Commission's (the "Commission") Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas & Electric Company [Dated May 17, 2002] (the "Commission Plan") if you are a party to an executory contract or unexpired lease scheduled as such in the PG&E Plan Supplement,¹ PG&E intends to "reject" your contract or lease within the meaning of Section 365 of the Bankruptcy Code (11 U.S.C. §365). You can obtain a copy of the Commission Plan and the accompanying Disclosure Statement, at no cost to you, by (i) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "www.canb.uscourts.gov"; (ii) telephoning the Voting Agent appointed in this case at (877) 456-3402; or (iii) emailing the Voting Agent at "pge@innisfreema.com."

Claims arising out of the rejection of an executory contract or unexpired lease must be properly filed in the Chapter 11 Case and served upon the Debtor no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order, and (iii) notice of an amendment to Schedule 6.1(a)(i) or 6.1(a)(ii) to PG&E's Plan Supplement. All such Claims not filed within such time shall be forever barred from assertion against the Debtor, its estate and its property. See Article VI of the Commission Plan for additional information regarding rejected executory contracts and unexpired leases.

With this Notice, you will receive a copy of the Notice of (A) Voting Record Date and Voting Deadline with Respect to, and (B) Hearings to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation for additional details regarding this hearing and the procedure and deadline for filing any objection to the Plans.

¹Capitalized terms not defined herein have the meanings ascribed to them in the Commission Plan.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

**NOTICE TO CERTAIN AGENCIES AND SUBDIVISIONS OF THE STATE OF
CALIFORNIA AND OF CERTAIN COUNTIES AND MUNICIPALITIES
LOCATED WITHIN THE STATE OF CALIFORNIA REGARDING
PG&E'S PLAN OF REORGANIZATION**

PLEASE TAKE NOTICE THAT:

1. On April 19, 2002, Pacific Gas and Electric Company ("PG&E") and PG&E Corporation (collectively, "Plan Proponents") filed the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "Plan") with the United States Bankruptcy Court for the Northern District of California, San Francisco Division. Along with the Plan, the Plan Proponents filed the "Disclosure Statement for Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company and PG&E Corporation [Dated April 19, 2002]" (the "Disclosure Statement"). On April 24, 2002, the Bankruptcy Court approved the Disclosure Statement, finding that it contains adequate information within the meaning of Section 1125 of the Bankruptcy Code.¹ All capitalized terms used but not defined in this Notice have the meaning given such terms in the Plan.

2. This notice is being provided to you because PG&E's records show that you are an agency or subdivision of the State of California or of a county or municipality within the State of California that could conceivably be affected, directly or indirectly, by the outcome of the PG&E's Chapter 11 case.

3. If you believe that you may have a claim against or interest in PG&E which entitles you to vote to accept or reject the Plan, you should immediately contact the

¹ Unless otherwise expressly stated, all section references in this Notice are to the United States Bankruptcy Code (Title 11 of the United States Code).

Voting Agent to obtain copies of the Plan and Disclosure Statement and a Voting Ballot:

Innisfree M&A Corporation
501 Madison Avenue
20th Floor
New York, New York 10022
Attn: PG&E Plan Confirmation
(877) 456-3402
pge@innisfreema.com

4. Unless otherwise requested, the Plan Proponents will not provide you with copies of the Plan or the Disclosure Statement. If you wish to obtain copies of the Plan or Disclosure Statement, you may do so at no cost to you by: (a) downloading such copies through the "Pacific Gas & Electric Company Chapter 11 Case" link on the Bankruptcy Court's website at "<http://www.canb.uscourts.gov>"; (b) telephoning the Voting Agent at (877) 456-3402; or (c) emailing the Voting Agent at "pge@innisfreema.com."

5. The hearing on confirmation of the Plan is scheduled for August 1, 2002, commencing at 9:30 a.m., Pacific time, in the Courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22nd Floor, San Francisco, California 94104. Such hearing may be adjourned from time to time without further notice other than an announcement of the adjourned dates at the hearing and at any adjourned hearing(s). Please see the enclosed Notice of (A) Voting Record Date and Voting Deadline with Respect to, and (B) Hearings to Consider Confirmation of, Pacific Gas and Electric Company's Plan of Reorganization and the California Public Utilities Commission's Plan of Reorganization, and (C) Deadline for Filing Objections to Confirmation for additional details regarding this hearing and the procedure and deadline for filing any objection to the Plans.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

Case No. 01-30923 DM
Chapter 11

PACIFIC GAS AND ELECTRIC COMPANY,

Debtor.

**NOTICE OF (A) VOTING RECORD DATE AND VOTING DEADLINE WITH RESPECT TO,
AND (B) HEARING TO CONSIDER CONFIRMATION OF,
PACIFIC GAS AND ELECTRIC COMPANY'S PLAN OF REORGANIZATION
AND THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S PLAN OF REORGANIZATION,
AND (C) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION**

NOTICE IS HEREBY GIVEN as follows:

On April 6, 2001 (the "Petition Date"), Pacific Gas and Electric Company, the above-captioned debtor and debtor in possession ("PG&E" or the "Debtor"), filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of California. On April 19, 2002, the Debtor and PG&E Corporation (collectively, the "PG&E Plan Proponents") filed the "Plan of Reorganization Under Chapter 11 of the Bankruptcy Code For Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Plan"). Along with the PG&E Plan, the PG&E Plan Proponents filed a "Disclosure Statement for the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated April 19, 2002]" (the "PG&E Disclosure Statement"). The PG&E Disclosure Statement was approved by Order of this Court entered on April 24, 2002.

On May 17, 2002, the California Public Utilities Commission (the "Commission") filed its "Plan of Reorganization under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Plan" and, together with the PG&E Plan, the "Plans"). Along with the Commission Plan, the Commission filed its "Disclosure Statement for the California Public Utilities Commission's Plan of Reorganization under Chapter 11 for Pacific Gas and Electric Company [Dated May 17, 2002]" (the "Commission Disclosure Statement"). The Commission Disclosure Statement was approved by Order of this Court on May ___, 2002.

On May 6, 2002 the Debtor and the Commission filed a motion requesting entry of an order (i) establishing solicitation, voting and tabulation procedures and deadlines, (ii) scheduling hearings to consider confirmation of the Plans, (iv) establishing deadlines and procedures for filing objections to confirmation of the Plans, and (v) approving the form and manner of notice of the confirmation hearing.

Voting Record Date (May 21, 2002)
and Voting Deadline (August 12, 2002)

1. The Bankruptcy Court has established May 21, 2002 as the voting record date for purposes of determining those holders of impaired claims and interests that are entitled to vote to accept or reject the Plans
2. Persons entitled to vote on the PG&E Plan and/or the Commission Plan will receive Voting Ballots which allow the holder of a claim or equity interest to vote to accept or reject the PG&E Plan and/or the Commission Plan (and state a preference, where applicable). In order for the Voting Agent, Innisfree M&A Incorporated, to count their votes, such persons must properly complete, execute and deliver their Voting Ballots to the Voting Agent or, in certain cases, to their nominee holder by mail, overnight mail or personal delivery so that the Voting Agent or nominee holder receives such Ballots no later than 5:00 p.m. Eastern Time on August 12, 2002 (the "Voting Deadline"), unless the Court extends such deadline.
3. Nominee holders for beneficial owners of Debtor's bonds, notes, debentures or shares of stock shall have up to three additional business days to transmit Master Ballots to the Voting Agent. The Voting Agent must, however, receive all Master Ballots no later than 5:00 p.m. Eastern Time on August 12, 2002 unless the Court extends such deadline.

**UNLESS A BALLOT IS RECEIVED BY THE VOTING AGENT
 BY THE VOTING DEADLINE, IT WILL NOT BE COUNTED.**

Hearing On Confirmation of the Plans
(August 1, 2002 at 9:30 a.m.)

1. A hearing to consider confirmation of the Plans and any objections thereto (the "Confirmation Hearing") has been set by the United States Bankruptcy Court for the Northern District of California for 9:30 a.m., California time, on August 1, 2002, in the Courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22nd Floor, San Francisco, California 94104 (the "Court"). No further notice shall be provided to creditors or interest holders of any adjournment or continuation of the Confirmation Hearing announced in open court at such Confirmation Hearing or at any subsequent adjournment thereof.
2. The Confirmation Hearing shall commence with a status conference to establish (i) discovery procedures with respect to any objections to confirmation which are filed in accordance with the procedures set forth below; (ii) a briefing schedule with respect to issues to be presented in connection with confirmation of the Plans; and (iii) a schedule for continuation of the Confirmation Hearing. Any party who files an objection to confirmation (or such party's designee) must appear at the August 1, 2002 hearing; failure to so appear will cause such objection to be denied by the Court for lack of prosecution.

**Last Day to File Objections to
Confirmation of the Plans (July 17, 2002)**

1. Any objection to confirmation of either of the Plans must (a) be in writing, (b) set forth the name and address of the objecting party, the nature of the objection and the legal basis therefor (as more fully described in paragraph 2, below), (c) describe any discovery that such objecting party desires to conduct in connection with its objections, and (d) be filed with and received by the Clerk of the United States Bankruptcy Court for the Northern District of California (including a copy for Chambers of the Honorable Dennis Montali), together with proof of service thereof, and served upon and received by the following parties, no later than 4:00 p.m., Pacific time, on July 17, 2002: (1) Pacific Gas and Electric Company, 77 Beale Street, P.O. Box 7442, San Francisco, California 94120, Attn: General Counsel; (2) PG&E Corporation, One Market, Spear Street Tower, Suite 2400, San Francisco, California 94105, Attn: General Counsel; (3) Howard, Rice, Nemerovski, Canady, Falk & Rabkin, A Professional Corporation, Attorneys for Pacific Gas and Electric Company, Three Embarcadero Center, 7th Floor, San Francisco, California 94111, Attn: James L. Lopes; (4) Dewey Ballantine LLP, Two Houston Center, Attorneys for PG&E Corporation, 909 Fanin Street, Suite 1100, Houston, Texas 77010, Attn: Alan Gover; (5) Weil, Gotshal & Manges LLP, Attorneys for PG&E Corporation, 767 Fifth Avenue, New York, New York 10153, Attn: Michael Kessler; (6) The Office of the United States Trustee, 250 Montgomery Street, Suite 1000, San Francisco, California 94104, Attn: Stephen L. Johnson; (7) Milbank, Tweed, Hadley & McCloy LLP, Attorneys for the Official Unsecured Creditors' Committee, 601 South Figueroa Street 30th Floor, Los Angeles, California 90017, Attn: Robert Moore; (8) The California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94111, Attn: Gary M. Cohen; and (9) Paul, Weiss, Rifkind, Wharton & Garrison, Attorneys for The California Public Utilities Commission, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Alan W. Kornberg.

2. Objections to the Plan(s) shall briefly state the grounds on which each objection is based in a manner which is sufficient to give notice to the proponents of the Plan(s) of the nature of the objection, but shall NOT include a memorandum of legal or factual points and authorities or other discussion of the legal theories for the objection.

**UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED
IN ACCORDANCE WITH THIS NOTICE IT WILL
NOT BE CONSIDERED BY THE COURT.**

Dated: May __, 2002

**HOWARD, RICE, NEMEROVSKI, CANADY,
FALK & RABKIN**
A Professional Corporation
James L. Lopes
Three Embarcadero center, 7th Floor
San Francisco, California 94111
(415) 434-1600

Attorneys for Debtor and Debtor-in-Possession Pacific Gas and
Electric Company

WEIL, GOTSHAL & MANGES LLP
Michael Kessler
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Attorneys for PG&E Corporation

- and -

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
Alan W. Kornberg
1285 Avenue of the Americas
New York, New York 10019
(212) 373-3000

Attorneys for The California Public Utilities Commission